

Corporate Credit Rating

New Update

Sector: Wholesale Trading
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign*	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency Local Currency	BB (Stable) BB (Stable)	- -

* Assigned by JCR on May 10, 2024

Ingram Micro Bilişim Sistemleri A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Ingram Micro Bilişim Sistemleri A.Ş." in the investment grade category with high credit quality on the national scale and revised its Long-Term National Issuer Credit Rating to 'A- (tr)' from 'A (tr)' and Short-Term National Issuer Credit Rating to 'J2 (tr)' from 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Ingram Micro Bilişim Sistemleri A.Ş. (hereinafter referred to as 'Ingram' or 'the Company') was incorporated in 1993 and engages in distribution of personnel computers, server, storage, virtualization, network communication, backup, business continuity, cloud computing technologies, unified communication, IP PBX, video conferencing, network security and infrastructure products, printers, portable data terminals, products and parts used by software and computer manufacturers during the production phase. The Company sources the merchandise from domestic and international suppliers and distributes through its network to the customers in the domestic market. The Company's shares have been trading on the Borsa Istanbul since 2006. In May 2023, the title of the Company was changed to Ingram Micro Bilişim Sistemleri A.Ş. from Armada Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. and its ticker symbol was also changed to "INGRM" from "ARMDA" on Borsa Istanbul. The Company has one subsidiary and one structured business consolidated in the financials. Ingram, Ingram Micro Türkiye and Supernet Dubai are collectively will be referred to as 'the Group' in the report. The Group is headquartered in Istanbul with a staff force of 193 as of June 2024 (December, 2023: 184).

The major shareholder of Ingram as of reporting date is Aptec Holdings Limited, located in Dubai with 91.58% share while remaining part of its shares were publicly traded. Aptec Holdings Limited is an Ingram Micro company. Ingram Micro Inc., which is the ultimate shareholder, is one of the global wholesale technology distribution companies operating in 59 countries with approximately 29k associates, and 1,500 vendor partners.

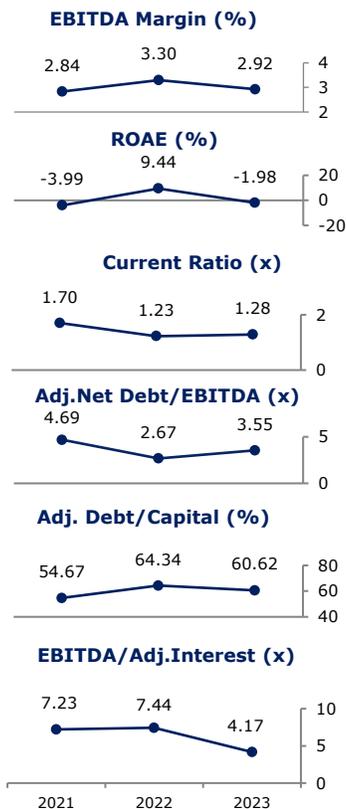
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Slight improvements in profitability metrics despite USD based sales revenue contraction in 1H2024
- Access to favorable financial loans provided by the shareholder
- Strong distributorship agreements with worldwide recognized brands, and strong position in the market
- Long lasting experience in the sector and compliance with corporate governance principles as a publicly listed company

Constraints

- Relatively long cash conversion cycle leads to upward trend in debt load and deterioration on leverage and coverage metrics
- Limiting the efficiency through rising operating expenses due to relatively stable exchange rates compared to the increase in inflation
- Import dependence of the product range and highly competitive market conditions pressuring the profitability indicators in line with the industry
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side



Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to 'A- (tr)'. The Company's ability to access favorable financial loans through shareholder, slightly improved profitability margins, strong position in the market and long lasting experience in the sector along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's revenue and profitability performance, debt structure, liquidity position and asset quality will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.